

June 27, 2014

# Plan to Re-Plan

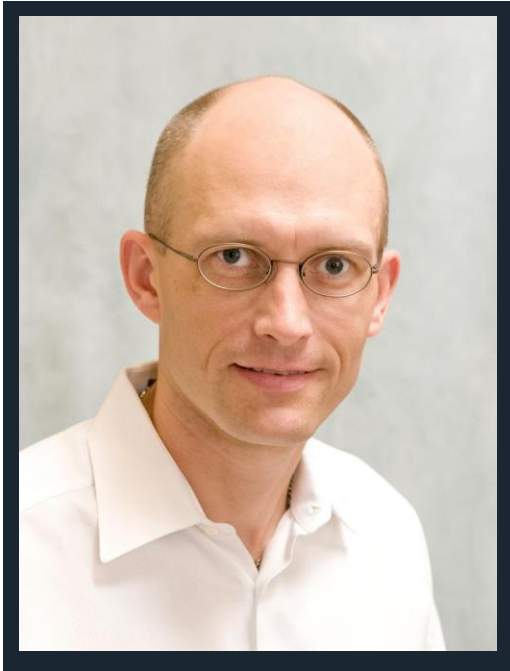
## Using Adaptive Planning Methods to Deliver Value

**Adam Light**

Management Consultant & Principal



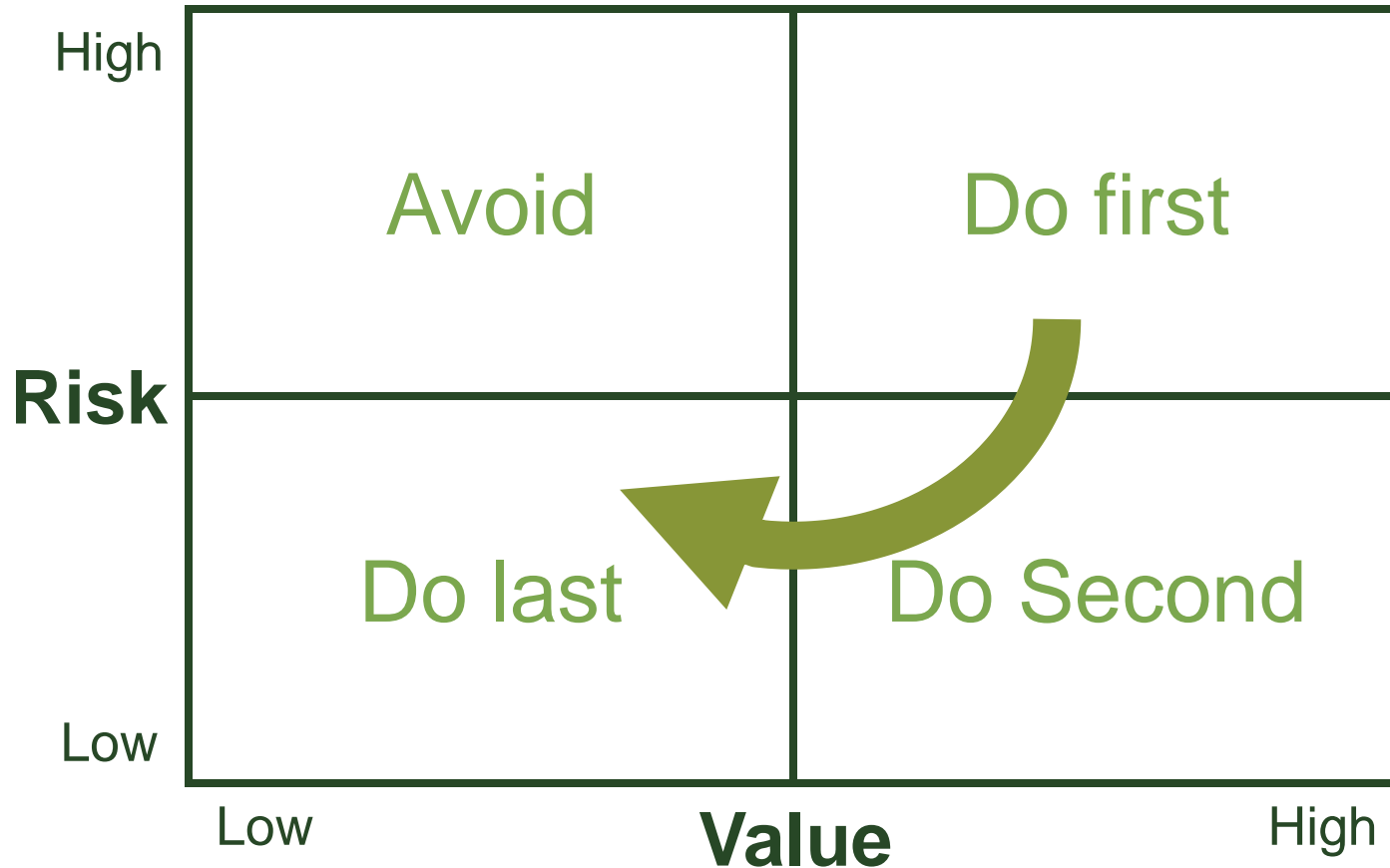
# Speaker Introduction



- Background in understanding complex adaptive systems
- 20 years experience developing and delivering software
- Learned about Lean and Agile by implementing as a manager
- Founded SoTech in 2008
- Long-term focus on capabilities; deliver results in the short-term



# Avoid Risk, Deliver Value



# Today's Webinar

1. The Project
2. A Cautionary Tale
3. Learning to Learn
4. Business Process Focus: Connects
5. If We Knew Then What We Know Now

# The Project: SmartMetering

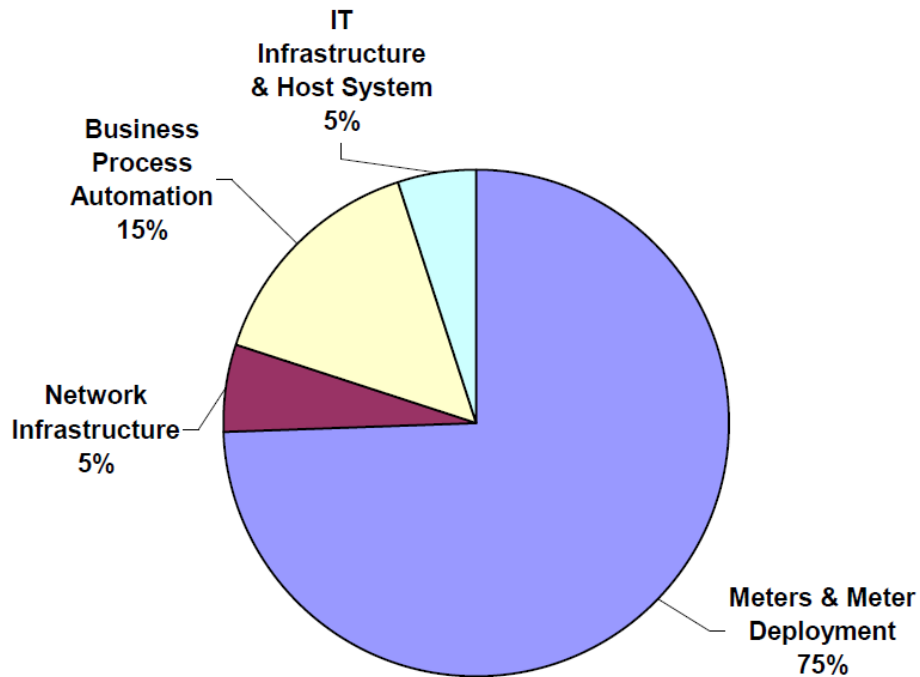
- 830,000 meters installed
- Two-way wireless network
- Project Cost: \$154 million (\$144 million capital)
- Timeline:

Network Build	Jan. 2008 – Dec. 2009
Meter Deployment	May 2008 – Aug. 2010
Business Process Change	Sept. 2007 – Aug. 2011

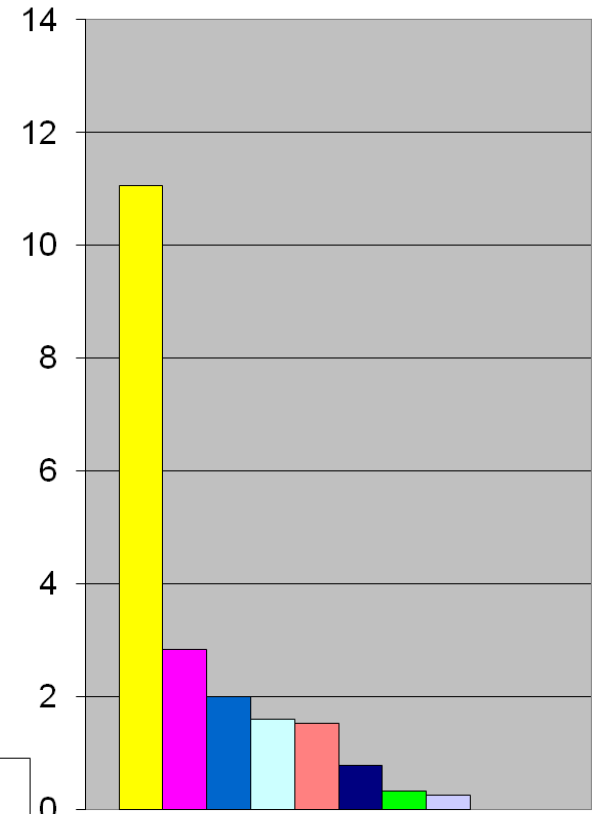
# Project Outcomes

- Annual O&M Savings: \$18.2 million
- ROE (20-year): \$35 million NPV
- Customer Benefits:
  - Preferred Due Date
  - Energy Tracker
  - High Bill Resolution
  - Rate Benefit

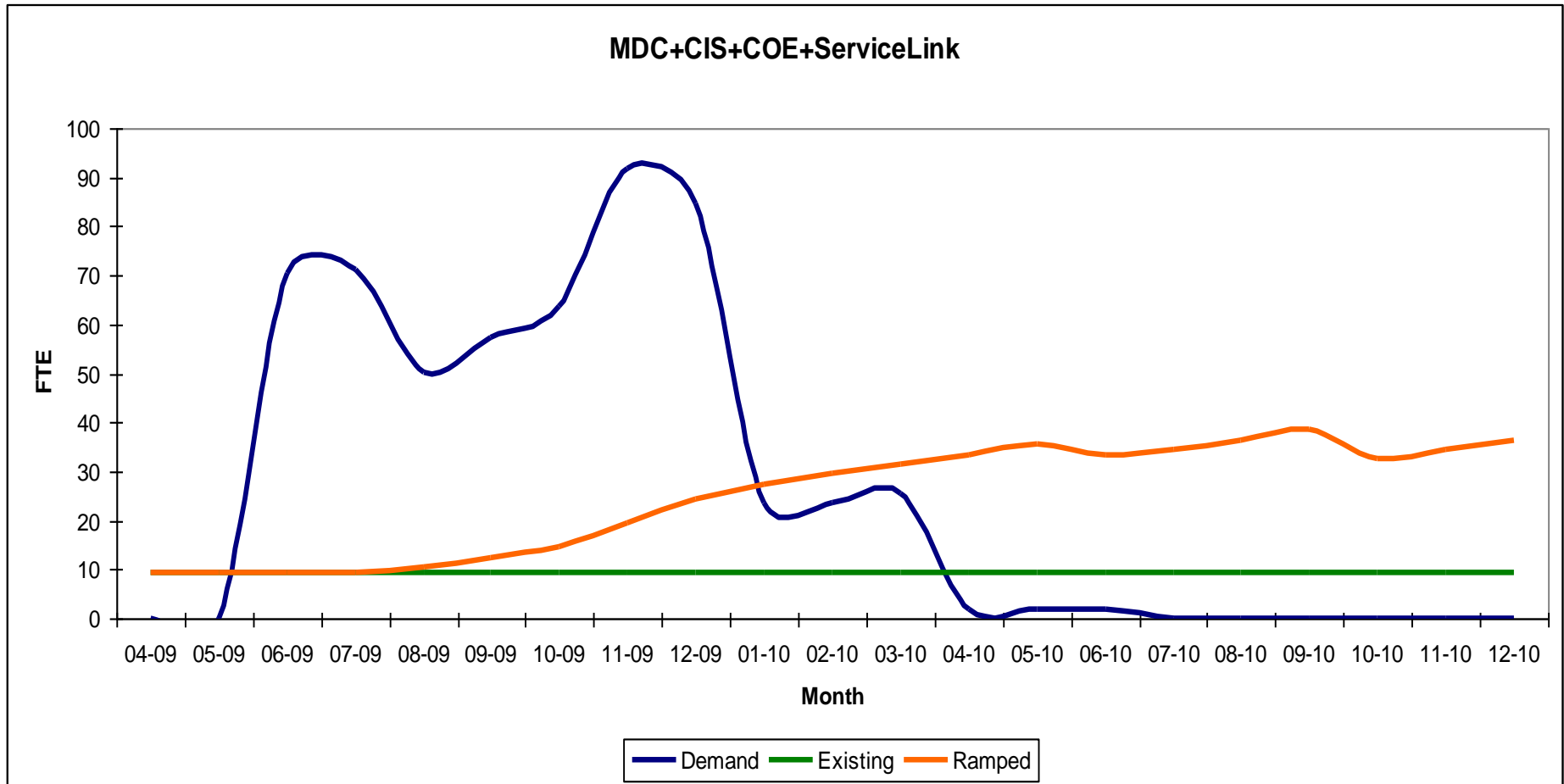
# Process Benefits Leverage Infrastructure



- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| AME Route Rollover                  | Disconnects & Reconnects            |
| Customer Selected Due Date          | Meter Accuracy and Sensitivity      |
| Lost Revenue Protection             | On Cycle Billing - MIMO Time stamps |
| Temp Unavailable due to Power Costs | Smart Meter Install & Maint.        |

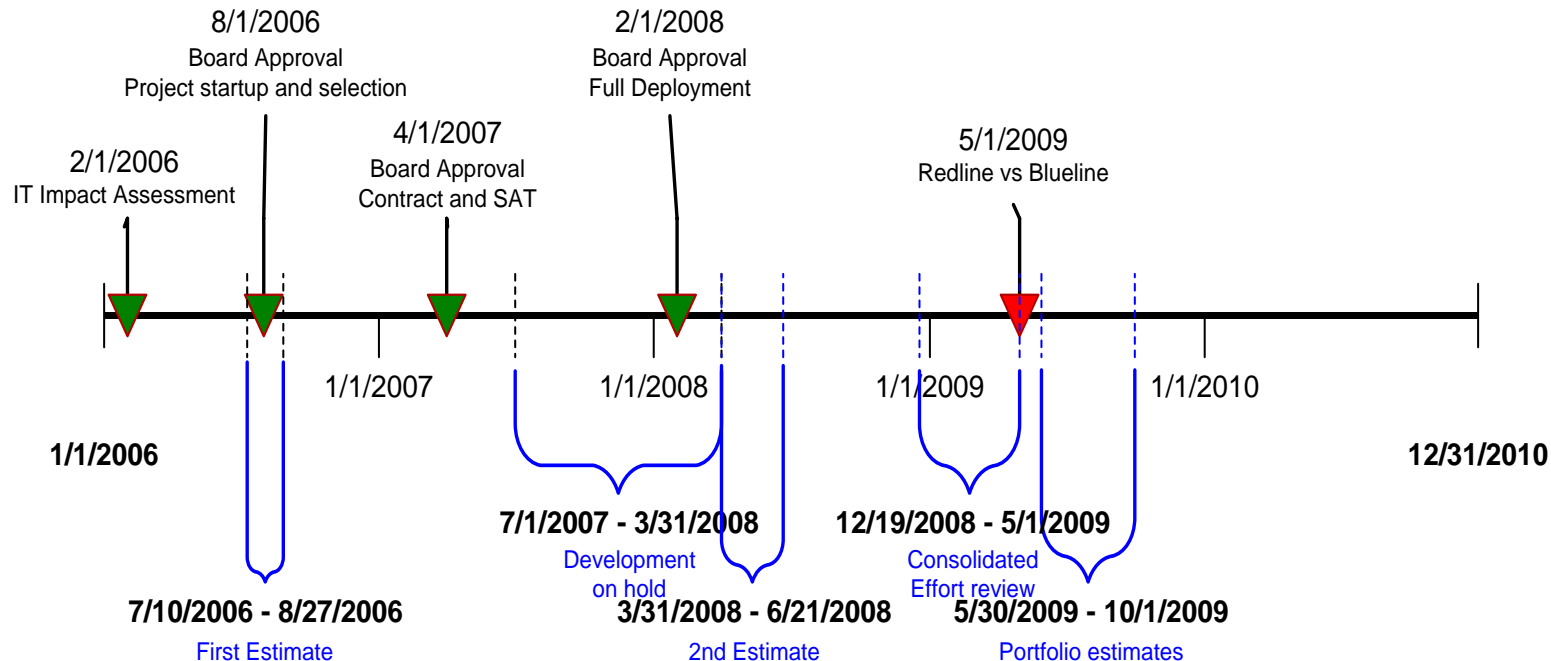


# A Cautionary Tale





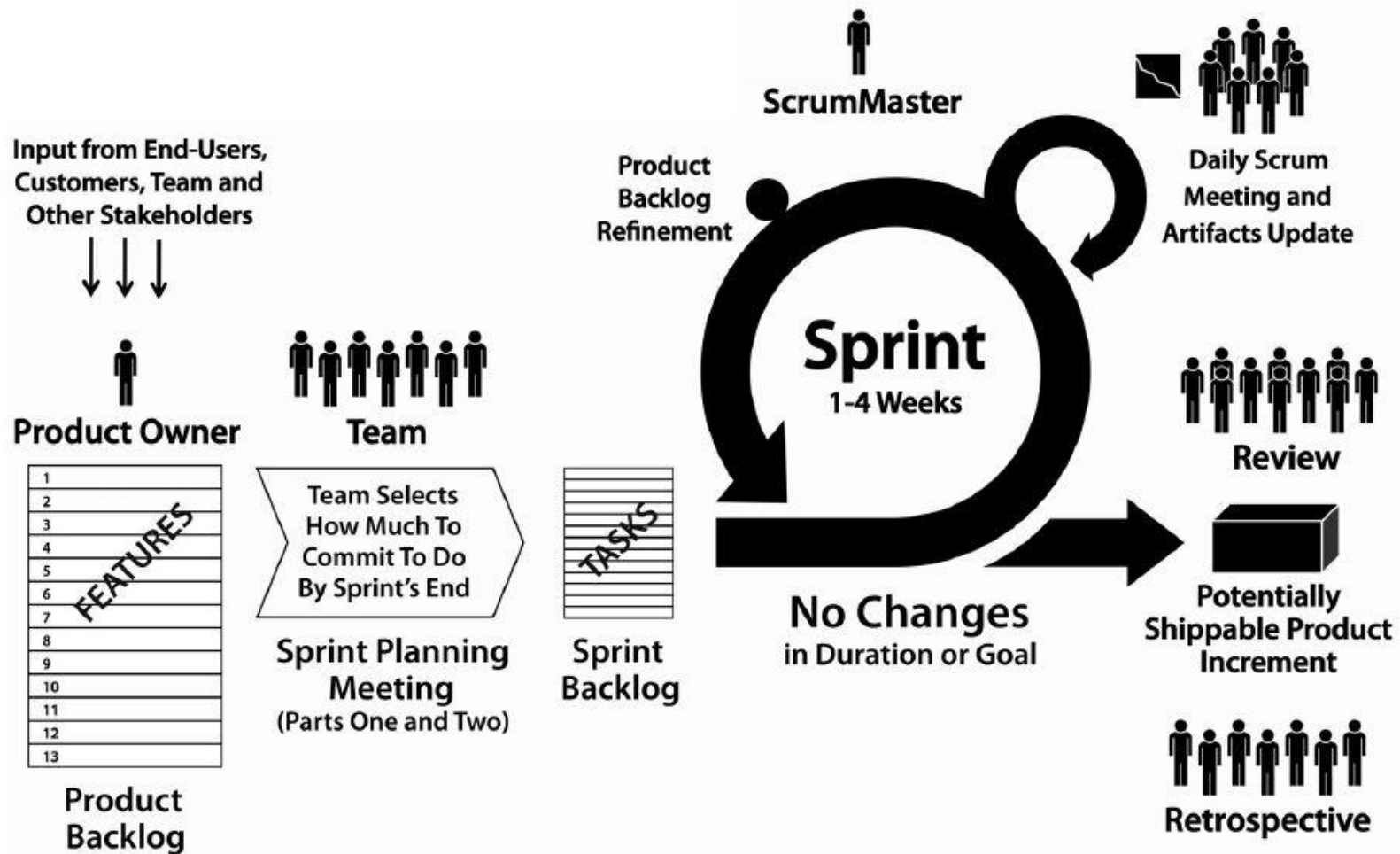
# Processes, Software, and Benefits



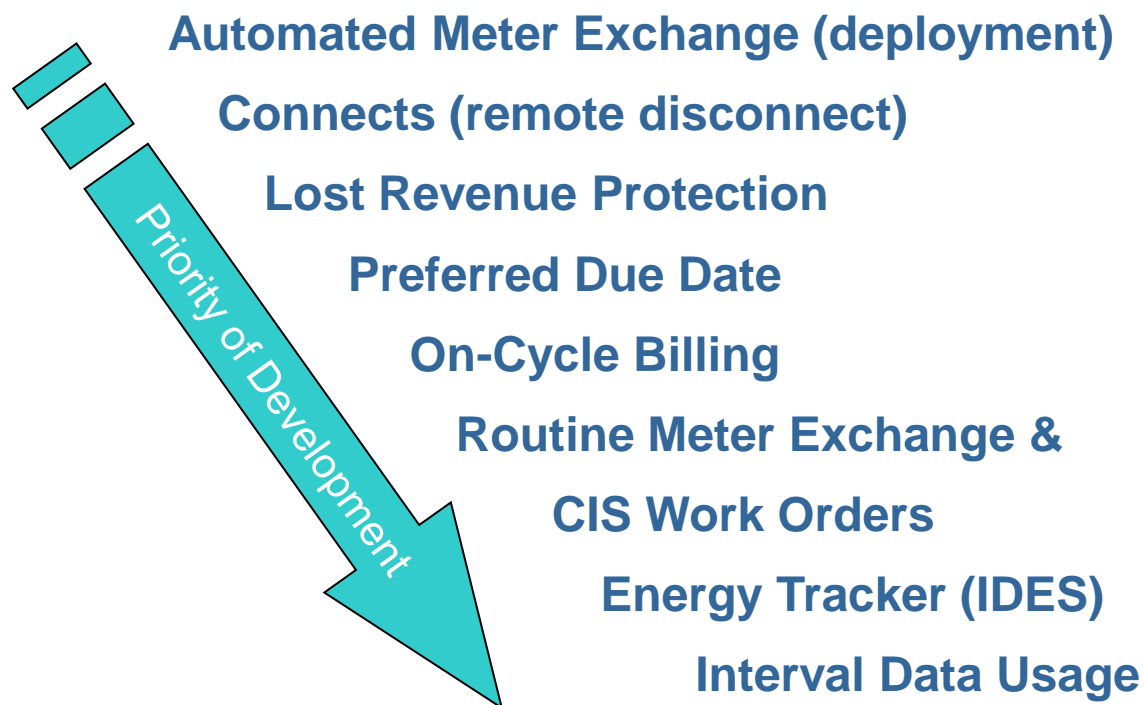
**Whatever it was we were doing wasn't working . . .**

**. . . so the certain perils of doing nothing outweighed the risk of trying something different!**

# Introduced Scrum, Organization Change



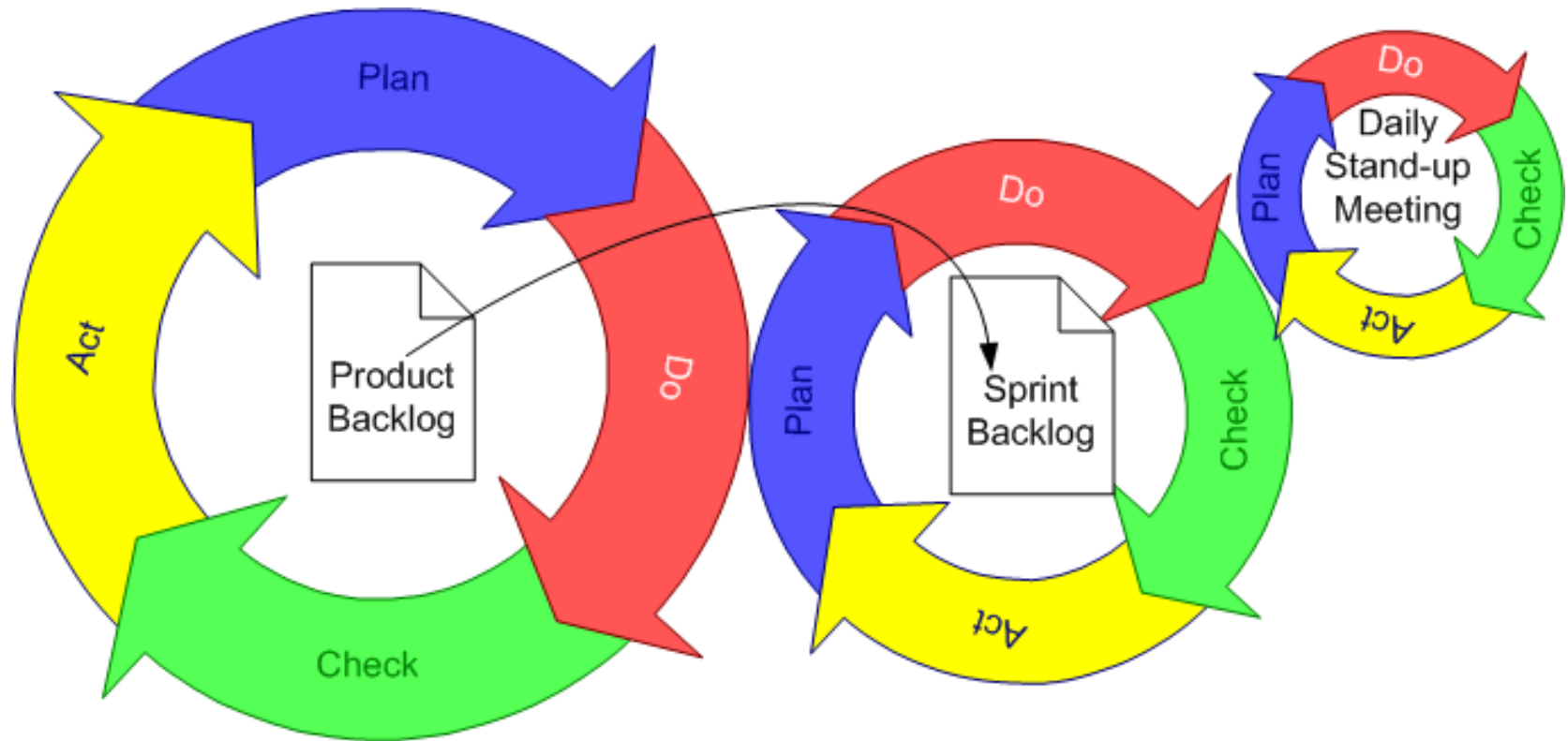
# Prioritization Act 1: Force Ranking



\$18.2 million per year in projected O&M savings\*

\* Based on 2011 Rate Case Filing

# Learning and Improvement



# Prioritization Act 2: Dynamic Ranking

# When information keeps changing, you need to keep making decisions!

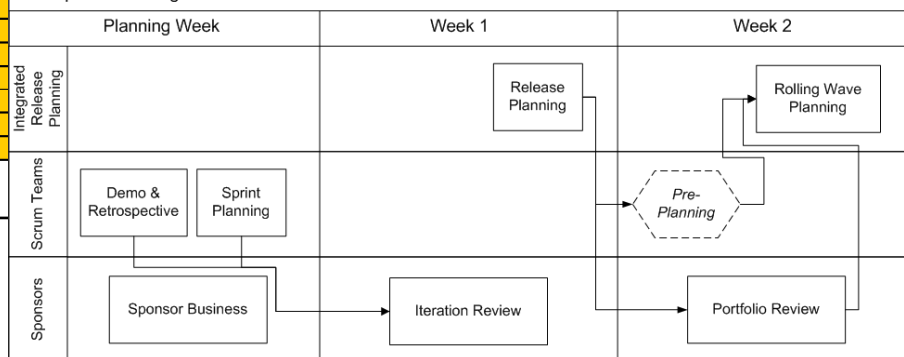
## Smart Metering Business Process Program Portfolio

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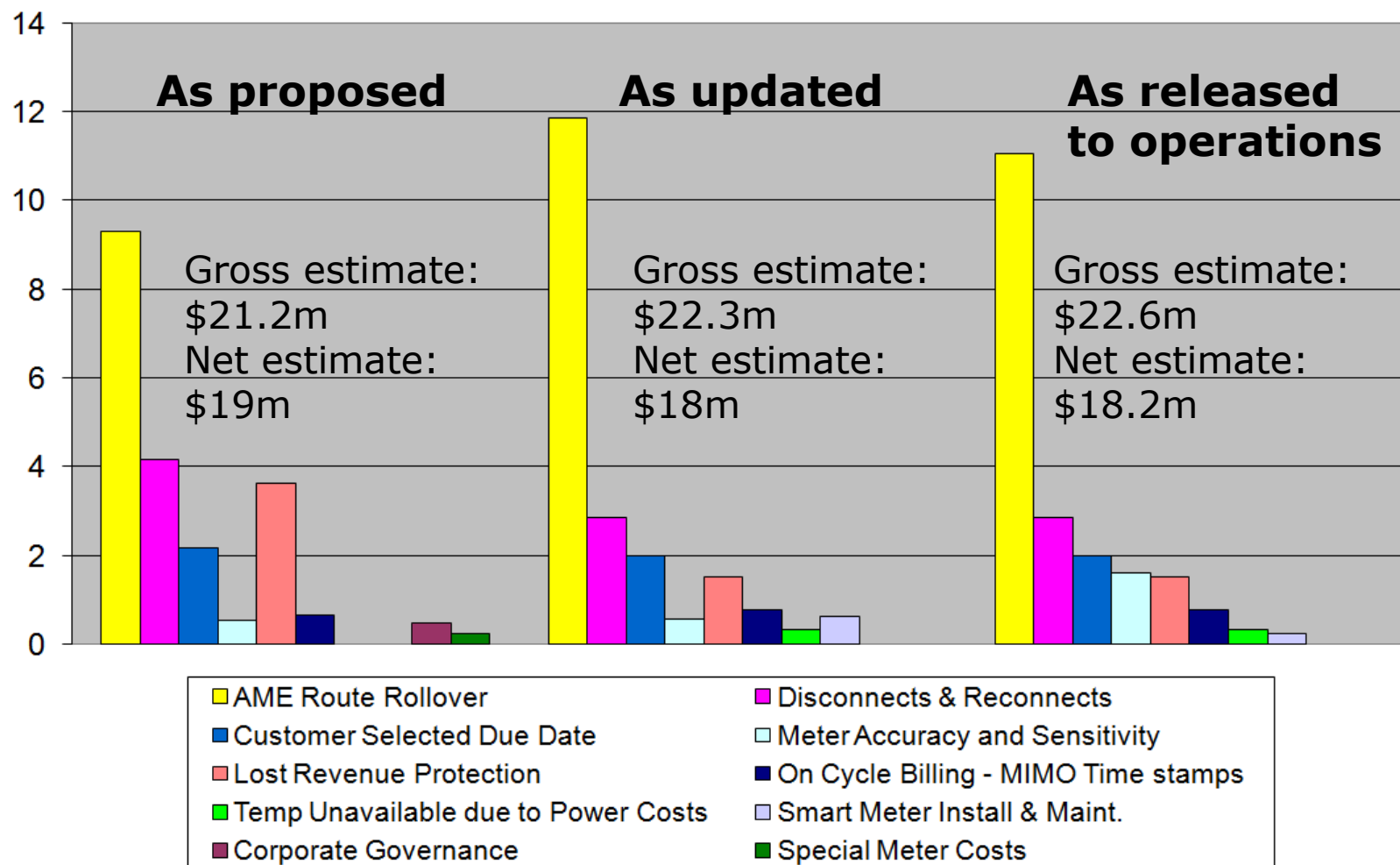
**BP Benefits:** Items in BP program control that make up the (BP) benefits reflected in the ratio

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## Development Meetings: Flow of Information

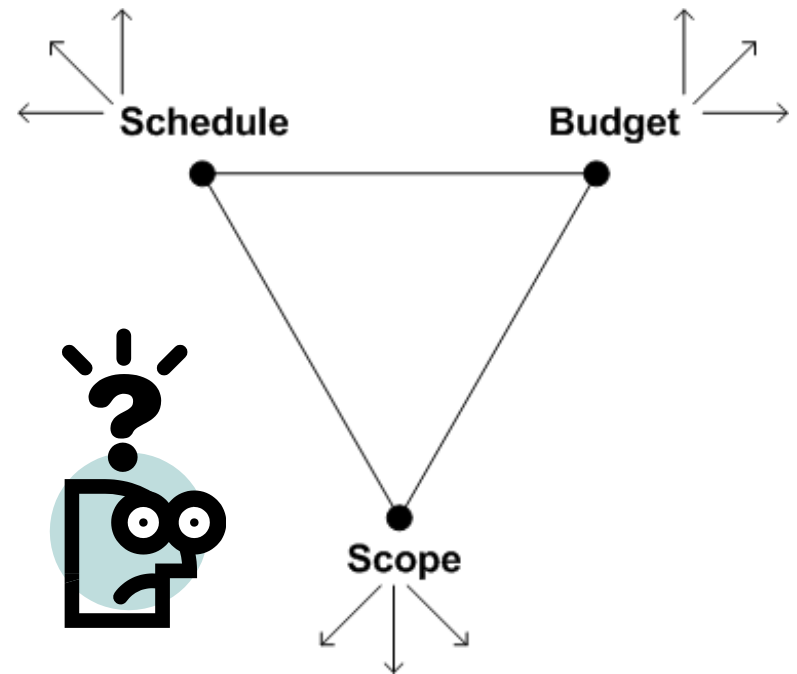


# Plan to Re-Plan



# Thought Question

How long would it take your organization to adjust to news that the value of something had changed by 300% ?



# Disconnects/Reconnects Business Process

Energy  
Assistance

Payment  
Extensions

Lack of Contract

Automated  
Phone Calls

Connects

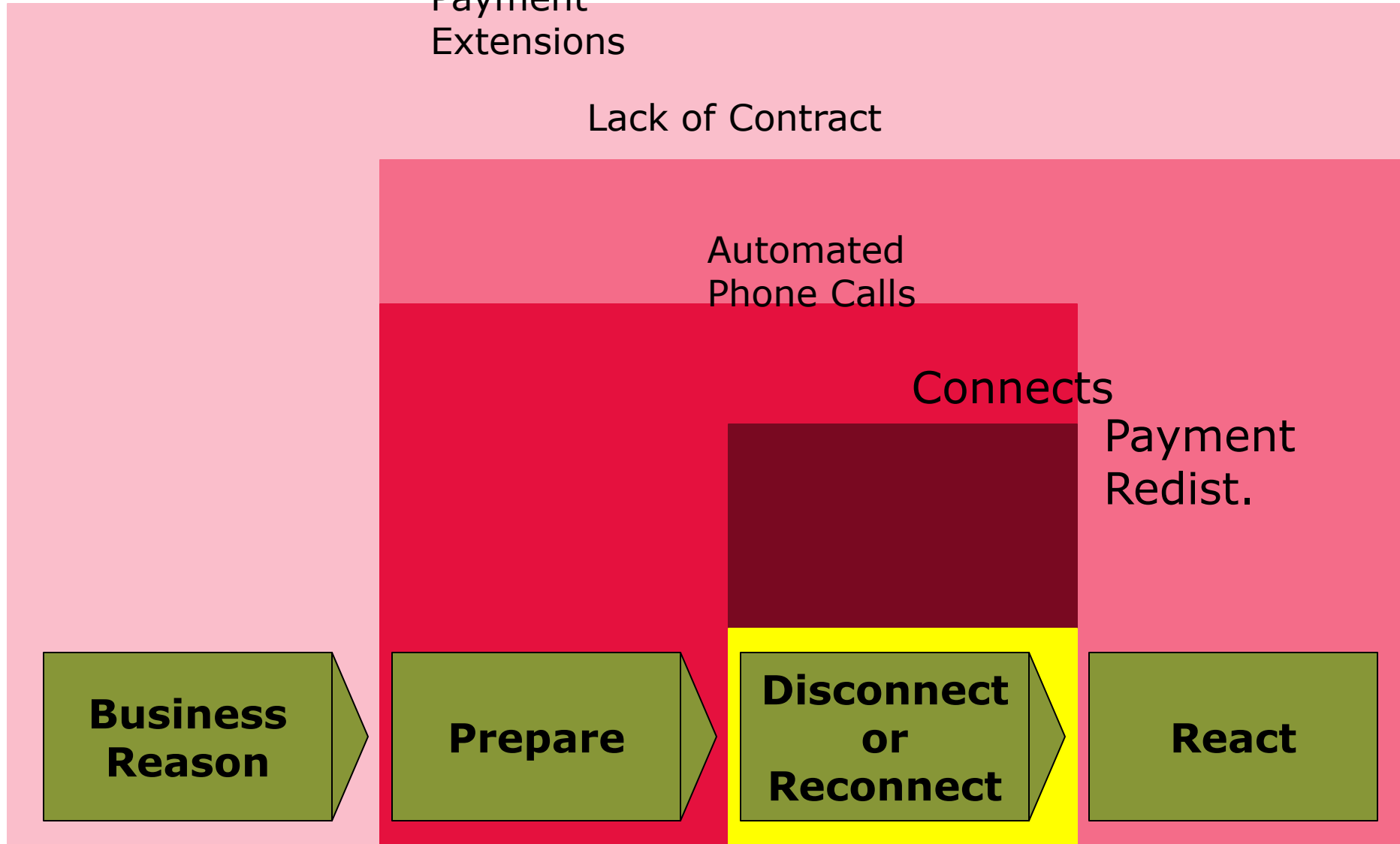
Payment  
Redist.

**Business  
Reason**

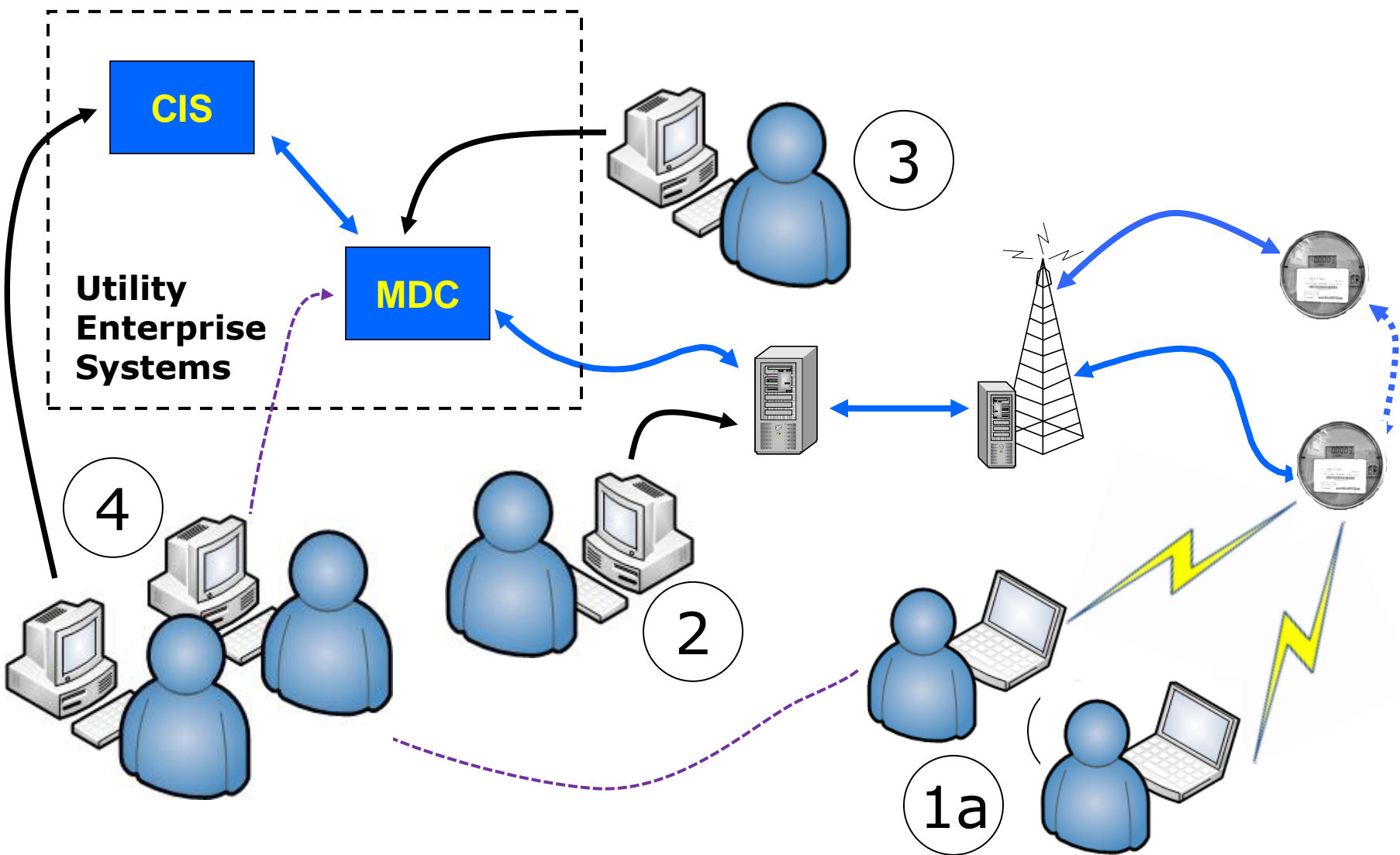
**Prepare**

**Disconnect  
or  
Reconnect**

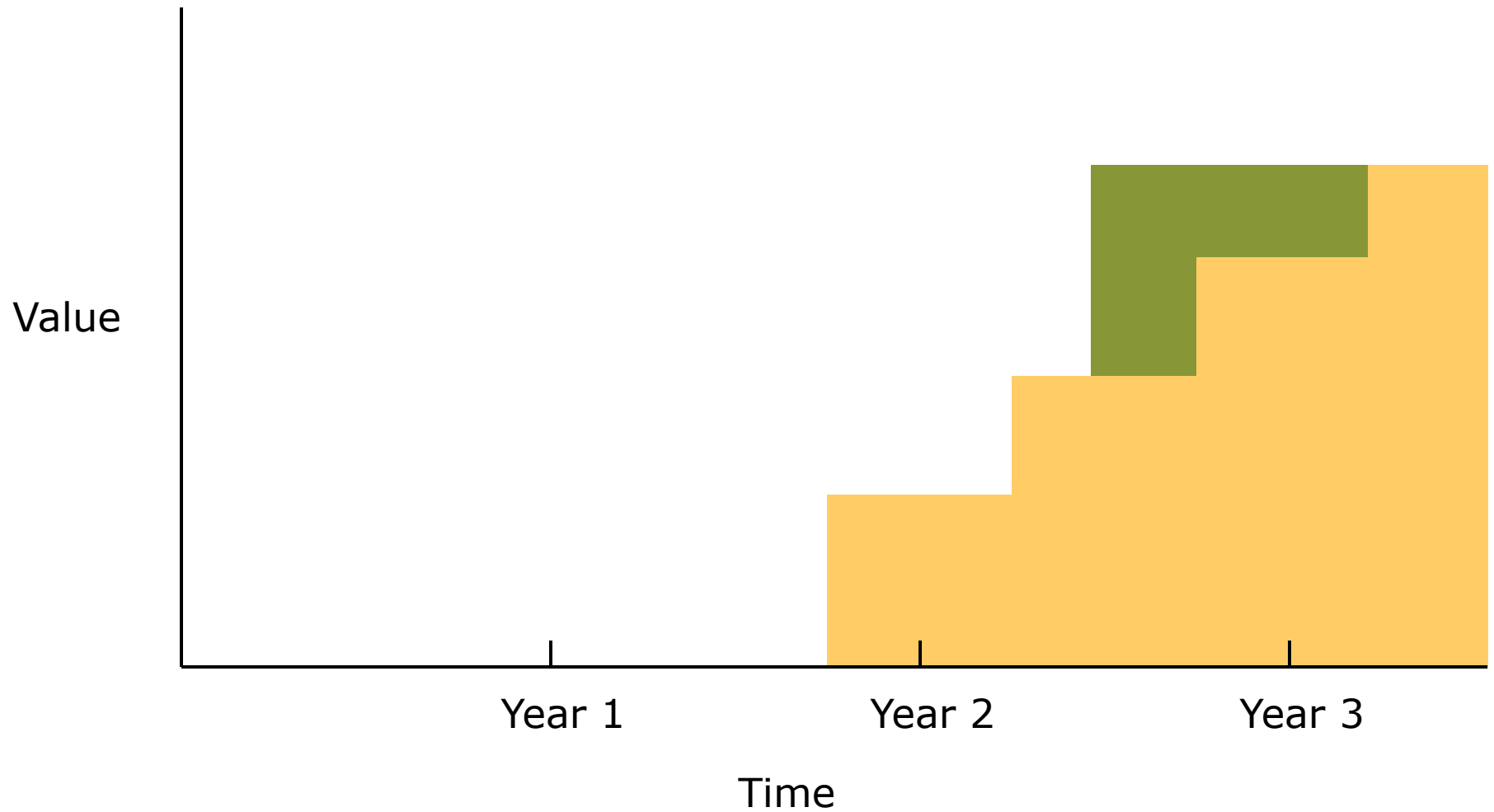
**React**







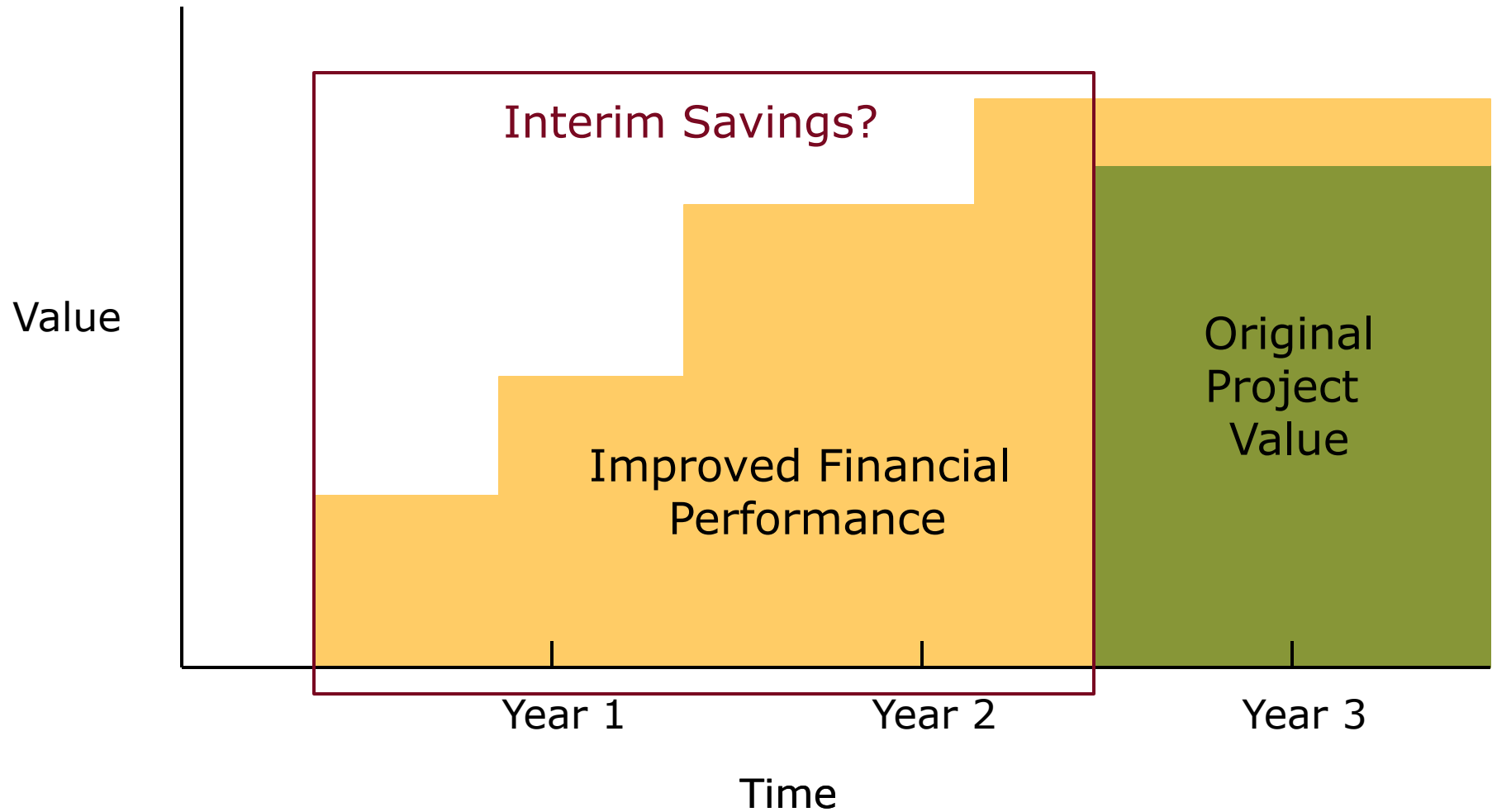
# Incremental Delivery



# Stepwise Investment Checks

- ✓ Deliver Business Value
- ✓ Reduce Risk
- ✓ Address Cultural Factors
- ✓ Increase Knowledge
- ✓ Business Decision to Move Forward

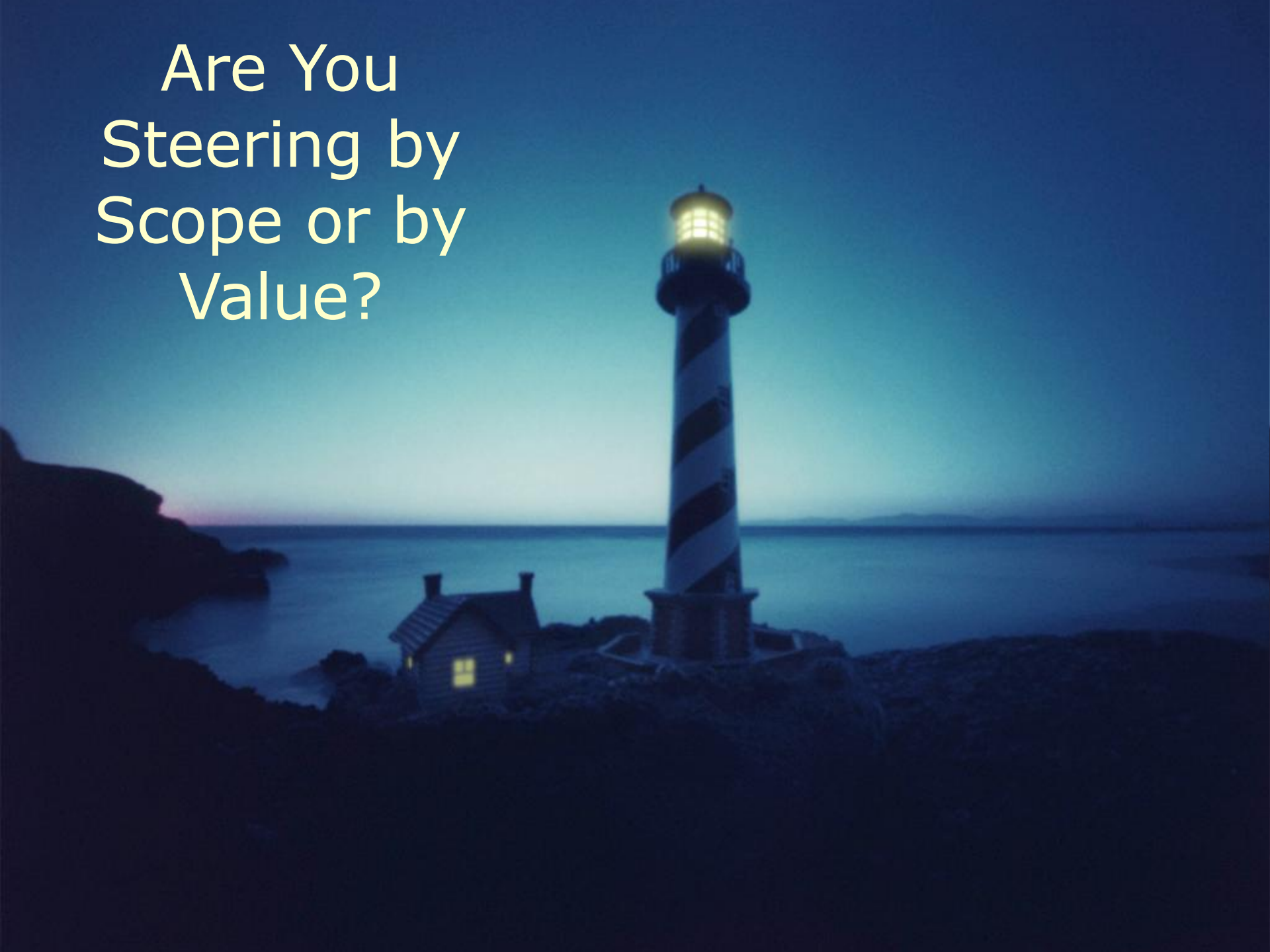
# What Could Have Been



# Maximizing Value, Managing Risk

- Fail fast to learn fast
- Deliver in the right order:
  - Risk first
  - Value first
  - Maximize knowledge gained
- Stop investing when you identify a more valuable investment

Are You  
Steering by  
Scope or by  
Value?



# Contact Me

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